GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:62
ANSWERED ON:28.07.2005
INDO-IRAN GAS PIPELINE
Khan Shri Mohammad Tahir;Kushwaha Shri Narendra Kumar

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the present status of the Indo-Iran gas pipeline;

(b) whether India and Pakistan authorities held discussions recently on the financial and security aspects of the proposed gas pipeline project;

(c) if so, the details and outcome thereof;

(d) whether India and Pakistan have agreed to constitute a joint working group to commence the Indo-Iran gas pipeline project;

(e) if so, the details thereof and progress made in this regard;

(f) whether USA has expressed their concern over the said project; and

(g) if so, the reaction of the Union Government thereto?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (g) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF THE LOK SABHA STARRED QUESTION NO. 62 BY SHRI NARENDRA KUMAR KUSHAWAHA & SHRI MOHD. TAHIR TO BE ANSWERED ON 28TH JULY, 2005 REGARDING INDO-IRAN GAS PIPELINE.

(a) to (e) The Government is discussing the details of the Iran-Pakistan-India gas pipeline project with the Governments of Iran and Pakistan. The discussions are progressing satisfactorily.

Two separate Secretary-level Joint Working Groups (JWGs) viz., the India-Iran special JWG and the India-Pakistan JWG, have been constituted to discuss the "financial, technical, commercial, legal and related issues to realize a safe and secure world-class project" as stated in the Joint Press Statement issued by the Ministers of Petroleum of India and Pakistan at Islamabad on 7 June 2005. A copy of the Joint Press Statement may be seen at Annex A.

The first meeting of the India-Pakistan JWG was held in New Delhi on 12-13 July 2005. Both sides stressed their "serious commitment" to address various issues pertaining to the project and agreed that once basic issues pertaining to the project had been satisfactorily resolved between the three countries concerned, they would enter into a "Framework Agreement". The two sides agreed on the crucial importance of urgently appointing their respective financial advisory consortia to advise on the project structure and related technical, financial, commercial and legal matters. They agreed that every effort would be made to appoint their respective financial advisory consortia at the earliest. A copy of the Joint Press Statement may be seen at Annex B.

The meeting of the India-Iran Special JWG is likely to take place in New Delhi in early August 2005. Earlier, an Iranian technical-level delegation, accompanied by representatives from BHP-Billiton, their project consultants who had prepared a pre-feasibility report for the project, visited New Delhi on 24-25 June 2005, and made a presentation covering some technical and commercial aspects of the project.

The findings of the financial advisors supported by technical and legal consultants, will be discussed at future scheduled meetings of the Joint Working Groups (JWGs). These meetings will be reviewed by Minister-level interactions over the next few months. It is expected that by the end of the year, the three Governments might be in a position to decide on the project structure and related technical, financial and legal aspects of the project.

(f) & (g) The question of the Iran-Pakistan-India pipeline has not been officially raised with us by the US authorities. However, it is a matter of public record that the United States has on its statute book the Iran Libya Sanctions Act (ILSA) of 1996 that provides for the imposition of sanctions against any party that has made an investment of more than Dollars 40 million that directly and significantly contributes to the enhancement of Iran's ability to develop petroleum resources of Iran. US officials have stated publicly that the US position on India's energy requirements is "constructive".

Government is pursuing the import of gas from Iran in the national interest in order to meet the energy requirements of the country.